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*Dundee Mines Limited (N.P.L.)*

# ANNUAL REPORT-1965



*Dorrigo Antimony Property*



# ***Dundee Mines Limited (N.P.L.)***

## **DIRECTORS**

S. DAVID ANFIELD - - - - - West Vancouver  
FRANK J. DOYLE - - - - - Vancouver  
CHESTER A. JOHNSON - - - - - West Vancouver  
RICHARD PALMER - - - - - West Vancouver  
RALPH A. SOSTAD - - - - - West Vancouver  
SYD WELSH - - - - - West Vancouver

## **OFFICERS**

FRANK J. DOYLE - - - - - President  
RALPH A. SOSTAD - - - - - Vice-President  
and Managing Director  
S. DAVID ANFIELD - - - - - Secretary  
CHESTER A. JOHNSON - - - - - Treasurer

## **SOLICITORS**

RUSSELL AND DuMOULIN - Vancouver

## **AUDITORS**

McDONALD, CURRIE & CO. - Vancouver

## **REGISTRAR & TRANSFER AGENTS**

NATIONAL TRUST CO. - Vancouver

## **HEAD OFFICE**

418 - 510 W. Hastings St. - Vancouver

## **REGISTERED OFFICE**

10th Floor - 850 West Hastings St. - Vancouver

**SHARES OF THE COMPANY ARE LISTED  
ON THE VANCOUVER STOCK EXCHANGE**



# *Report of the Directors*

To the Shareholders  
Dundee Mines Limited (N.P.L.)

In the Company's fiscal year ended July 31, 1965, a large amount of exploration and development was carried out on the Dorrigo antimony property in New South Wales, Australia. This work proved the existence of a high-grade antimony-bearing zone and aroused the interest of exploration groups including notably New Consolidated Gold Fields (Aust.) Pty. Ltd. Acting on the instruction of its parent, Consolidated Gold Fields of South Africa, one of the world's largest mining and exploration companies, the Australasian subsidiary sought the privilege of examining our property and then proposed a joint-development agreement with Dundee Mines Limited (N.P.L.)

Although it has been the policy of Dundee directors and management to keep the Company's shareholders informed as to progress, it would be well to repeat the general terms of the agreement reached:

1. Consolidated has a six-month option period from July 1, 1965, plus 60 days for assessment and study, to undertake further exploration and drilling on the property. They are committed to spend not less than \$108,000 prior to December 31, 1965.
2. If they wish to proceed at the end of this six-month period, they will repay Dundee all development expenditures and property-acquisition costs incurred by Dundee, plus a bonus of \$480,000.
3. Consolidated will then have a 55% interest in the property and Dundee 45% and henceforth additional expenditures will be shared 55% by Consolidated and 45% by Dundee.
4. In the event that property development is of a larger scope than presently envisioned, i.e., possibility of a smelter installation, Consolidated will put up any shortage on Dundee's part and Dundee will be assured the right to repay such advances on a time basis or out of production returns.

The last provision is considered of great importance in that it precludes any chance of Dundee losing its interest through lack of funds when required. Consolidated has world-wide marketing facilities and the Directors feel that your Company could not have made a similar deal with any other group more likely to succeed.

In addition an agreement was negotiated with the Australian Government, whereby the latter, after a thorough examination of the property by departmental engineers, will supply the equivalent of half the direct costs of drifting and diamond drilling (£ 7/10 per foot of drifting and £ 2 per foot of diamond drilling.)

It is gratifying to report five months later that both Consolidated and the Australian Government have met and are continuing to meet all the terms of the respective agreements. A detailed account for the four-month period ended October 31, 1965, shows that Consolidated has expended £ 29, 182. 2. 5, equivalent to \$70,037 Canadian. A subsequent report from our resident engineer dated November 25, 1965 advises that the Australian Government's contribution had then reached £ 11,664, equivalent, to \$27,993.60 Canadian. Coupled with this, New Consolidated Gold Fields have refunded £ 3,693. 4s. to Dundee as their portion of the tunnel work. Converted to Canadian funds this would amount to \$8,863.00, bringing a total refund of \$36,856.80.

The reports of the Company's consulting mining engineer and the resident engineer provide some detail of the work done and the encouraging results obtained.

## **Other Properties**

The 16-claim Bama group of Claims at Buttle Lake, Vancouver Island, remain under option to Western Mines Limited, a company which is now equipping its



high-grade adjoining mine property for production to commence in mid-1966. The efficient management and apparent earning-capacity of Western Mines, and the strategic location of your Company's claims, could earn 50,000 fully-paid and non-assessable shares of Western Mines, which carry a current market value of some \$250,000.

Further prospecting is planned for your 60-claim Nithi Mountain group in the Endako molybdenum area of north-central B.C. Recorded assessment work will keep these claims in good standing until 1968. Endako Mines Ltd. commenced production early in 1965 and is now treating in excess of 12,500 tons of ore daily.

The former Yankee Dundee mine at Ymir, in southeastern British Columbia, remains under option to Cayzor Athabaska Mines Ltd. There are some good ore chances on this property and your Directors feel that a more vigorous exploration and development programme is warranted in the light of current metal prices.

Your Directors wish to express their thanks to the consulting and resident engineers and to the Canadian and Australian personnel of the Company who have so capably performed their duties throughout the past year.

Frank J. Doyle  
President

December 20, 1965

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## ***Report of the Resident Engineer and Manager***

To the Managing Director,  
Dundee Mines Limited (N.P.L.)

Diamond drilling aggregates 14,654 feet of which holes 0-20 accounted for 4,061 feet, holes 21 to 37 for 4,707 feet; and holes 38 to 46 for 5,886 feet. The first 20 holes were driven by Dundee Mines Ltd. before the government subsidy arrangement came into effect. Holes 21 to 33 were driven in their entirety by Dundee Mines. Hole 34 was driven to a depth of 326 feet by Dundee and hole No. 35 to 17 feet. The drilling was completed by Consolidated Gold Fields with 29 feet added to No. 34 and 150 feet to No. 35. All subsequent holes were driven by Consolidated Gold Fields.

To date underground development headings have been advanced 610 feet, consisting of driving and crosscutting. Of this, 187 feet has been subsidized by the Australian Government and a further 113 feet has been approved for subsidy. Application has been made and approval is pending concerning yet another 500 feet of drive.

The amount received, £ 10,816. 10. 0., includes the £ 2 subsidy on holes 21 to 37 which amounted to £ 9,414. 0. 0. and the payment of £ 1,402. 10. 0. for 300 feet of underground development.

Yours faithfully,  
R. J. ELLIOTT  
Manager

41 Hickory Street,  
Dorrigo, N.S.W.  
November 25, 1965



# **Report of the Consulting Engineer**

To the President and Directors,  
Dundee Mines Limited (N.P.L.)

Under date of July 31, 1965, shareholders were informed of progress in the development of the Dorrigo antimony property in New South Wales, Australia, and of the agreements negotiated with New Consolidated Gold Fields (Aust.) Pty. Ltd. and with the Government of Australia. At that time the exploration and development drift had been advanced 105 feet in ore assaying in excess of 8% antimony. No material effort had been made to establish true width, although a crosscut at a length of 60 feet defined an actual width of 12 feet of high-grade ore.

As of November 21, the drift extended to 500 feet with the face continuously in ore of full drift width and of a grade at least 20% higher than that anticipated on the basis of previous diamond drilling. The results of the section from 300 to 375 feet are not yet available; and this is obviously particularly high-grade material. I would estimate the face today at the 500-ft. mark to assay in excess of 6% Sb.

The crosscuts show the ore contacts to be sharp. Mining should present no undue problems. No water has been encountered. The ore breaks "fine" with low-powder consumption. If the hanging-wall is left intact, it is reasonable to expect satisfactory extraction by shrinkage methods.

The resident engineer, Mr. Elliott, has the operation well in hand and is to be commended for his work. No expenditures are being made on non-essentials and all accounting is up to date and in order.

The present holes being drilled by Consolidated are very long stepouts, both horizontally and vertically, from the known orebody. If these new holes intersect ore shoots, they will almost double the known ore reserves. A detailed sample plan showing averages of both channel and bulk sampling will be prepared as soon as the assays are received; and a series of pictures will be taken of all salient features.

Preliminary sampling will be undertaken on the Nambucca Head antimony property. This will be followed by a limited bulldozing programme of about five days. If this proves favourable, a limited diamond-drilling programme of some three short holes will be laid out and submitted for approval. A limited stripping programme will also be designed for the Tyringham copper property about 12 miles north of Dorrigo.

The writer is most gratified by the confirmation of the underground work which has more than substantiated the drilling results in every way.

Respectfully submitted,

J. D. MASON  
Consulting Mining Engineer

Dorrigo, N.S.W.  
November 21, 1965

# **Auditors' Report To the Shareholders**

We have examined the consolidated balance sheet of Dundee Mines Limited (Non-Personal Liability) and wholly-owned subsidiary company as at July 31, 1965, and the consolidated statements of deficit and source and use of funds for the period July 25, 1964 to July 31, 1965. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of deficit and source and use of funds, when read in conjunction with the notes and schedules thereto, present fairly the consolidated financial position of the companies as at July 31, 1965, and the consolidated results of their operations for the period July 25, 1964 to July 31, 1965 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in depreciation policy referred to in note 3, with which we concur.

Vancouver, B.C.  
December 10, 1965

McDonald, Currie & Co.  
Chartered Accountants



## ***Assets***

	1965 \$	1964 \$
<b>CURRENT ASSETS</b>		
Cash and short-term deposits .....	188,966	52,714
Accounts receivable .....	24,851	1,901
Prepaid expense .....	275	38
	<u>214,092</u>	<u>54,653</u>
<b>MINING PROPERTIES</b> —at value ascribed to 915,429 shares issued as consideration for specific properties with all other properties at cost (notes 2 and 6) .....	965,130	708,811
	<u>                    </u>	<u>                    </u>
<b>FIXED ASSETS</b> (note 3)		
Machinery, equipment and buildings—at cost less accumulated depreciation .....	65,372	14,582
	<u>                    </u>	<u>                    </u>
<b>DEFERRED CHARGES</b> (note 6)		
Exploration and development—per schedule .....	420,067	256,670
Administration—per schedule .....	136,092	70,146
Organization .....	7,615	4,231
	<u>563,774</u>	<u>331,047</u>
	<u>1,808,368</u>	<u>1,109,093</u>

## ***Liabilities***

	1965 \$	1964 \$
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities .....	36,716	7,599
	<u>                    </u>	<u>                    </u>

## ***Shareholders' Equity***

<b>CAPITAL STOCK</b> (note 4)		
Authorized—		
5,000,000 shares of no par value		
Issued and fully paid—		
2,512,282 shares for cash .....	988,290	488,290
915,429 shares for mining properties .....	822,000	642,000
3,333 shares for equipment .....	7,500	7,500
	<u>1,817,790</u>	<u>1,137,790</u>
<b>DEFICIT</b> .....	46,138	36,296
	<u>1,771,652</u>	<u>1,101,494</u>
Signed on behalf of the Board	<u>1,808,368</u>	<u>1,109,093</u>

C. A. Johnson, Director

F. J. Doyle, Director

DUNDEE MINES  
LIMITED  
(Non-Personal Liability)

## ***consolidated Balance Sheet***

As at July 31, 1965



DUNDEE MINES  
LIMITED

(Non-Personal Liability)

**Consolidated  
Statement of Deficit**

For the period July 25,  
1964 to July 31, 1965

	1965 \$	1964 \$
BALANCE—BEGINNING OF PERIOD .....	36,296	24,296
Mineral claims abandoned .....	—	12,000
Exploration and development costs on mining properties examined but not acquired .....	9,842	—
	<hr/>	<hr/>
BALANCE—END OF PERIOD .....	46,138	36,296
	<hr/>	<hr/>

DUNDEE MINES  
LIMITED

(Non-Personal Liability)

**Consolidated  
Statement of Source  
and Use of Funds**

For the period July 25,  
1964 to July 31, 1965

		\$
SOURCE OF FUNDS		
Proceeds from sale of 1,100,000 shares (note 4) .....		500,000
USE OF FUNDS		
Additions to mining properties .....	256,319	
Deduct: Value ascribed to shares issued for properties, a non cash outlay (note 4) .....	180,000	76,319
	<hr/>	
Additions to fixed assets—net .....		56,913
Exploration and development costs .....	163,397	
Deduct: Charges not requiring a cash outlay—		
Depreciation .....	3,405	
Loss on disposal of fixed assets .....	562	159,430
	<hr/>	
Administration costs .....	65,946	
Deduct: Charges not requiring a cash outlay—		
Depreciation .....	721	
Loss on disposal of fixed assets .....	1,435	63,790
	<hr/>	
Exploration and development costs on mining proper- ties examined but not acquired .....	9,842	
Organization costs of subsidiary company .....	3,384	369,678
	<hr/>	<hr/>
INCREASE IN WORKING CAPITAL .....		130,322
		<hr/>
WORKING CAPITAL—BEGINNING OF PERIOD .....		47,054
Increase in working capital .....		130,322
		<hr/>
WORKING CAPITAL—END OF PERIOD .....		177,376
		<hr/>



BALANCE—JULY 24, 1964 .....			\$ 256,670
EXPENDITURES FOR THE PERIOD JULY 25, 1964 TO JULY 31, 1965			
Australia			
Assaying, sampling and surveying .....	4,319		
Camp .....	6,655		
Consulting and engineering fees and expenses .....	17,550		
Drilling .....	79,102		
Miscellaneous .....	4,551		
Property development and preparation ..	15,569		
Salaries, wages and assessments .....	2,864		
Travelling .....	10,667	141,277	
Canada			
Hedley Property (Nickel Plate Mine)—			
Camp .....	878		
Consulting and engineering fees and expenses .....	2,166		
Drilling .....	4,044		
Loss on disposal of fixed assets .....	562		
Miscellaneous .....	133		
Salaries, wages and assessments .....	3,650		
Telephone and telegraph .....	553		
Travelling .....	2,563	14,549	
Unallocated expenses—			
Camp .....	172		
Depreciation .....	3,405		
Miscellaneous .....	465		
Salaries, wages and assessments .....	1,846		
Travelling .....	1,683	7,571	163,397
BALANCE—JULY 31, 1965 .....			420,067

**DUNDEE MINES  
LIMITED**

(Non-Personal Liability)

**Consolidated  
Schedule of  
Exploration and  
Development Costs**

To July 31, 1965

BALANCE—JULY 24, 1964 .....			\$ 70,146
EXPENDITURES FOR THE PERIOD JULY 25, 1964 TO JULY 31, 1965			
Accounting, audit and legal .....	11,457		
Depreciation .....	721		
General office .....	10,380		
Loss on disposal of fixed assets .....	1,435		
Management salaries .....	7,200		
Miscellaneous .....	724		
Promotion and advertising .....	2,327		
Salaries, wages and assessments .....	11,293		
Shareholders' reports and meetings .....	1,977		
Stock exchange fees .....	300		
Telephone and telegraph .....	6,397		
Transfer fees and expenses .....	2,066		
Travelling .....	16,945		
	73,222		
Deduct: Interest income .....	7,276	65,946	
BALANCE—JULY 31, 1965 .....			136,092

**DUNDEE MINES  
LIMITED**

(Non-Personal Liability)

**Consolidated  
Schedule of  
Administration  
Costs**

To July 31, 1965



# DUNDEE MINES LIMITED

(Non-Personal Liability)

## Notes to Consolidated Financial Statements

For the period July 25,  
1964 to July 31, 1965

### 1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the company's wholly-owned Australian subsidiary, Canalia Mining Pty. Limited. The company has no other subsidiary companies.

The accounts of the subsidiary have been converted at the July 31, 1965 rate of £A1 = \$2.4170 Can. The exchange rates have not shown any marked variations during the period ended July 31, 1965.

### 2. MINING PROPERTIES

#### Canada—

Under an agreement dated December 15, 1962, the company granted Western Mines Limited (N.P.L.) an option to purchase all of the company's mining properties (costing \$6,667) in the Alberni Mining Division. If the option is exercised in full, the company will receive 50,000 shares of Western in varying amounts on or before December 15, 1966 through December 15, 1970.

On July 25, 1961, the company granted Cayzor Athabaska Mines Limited the right to carry out an exploration and development programme on the company's mining properties (costing \$449,544) in the Nelson Mining Division. The company has filed a notice of default under the agreement and has commenced proceedings to have the agreement terminated and title to the properties returned to the company.

#### Australia—

The company has, through its subsidiary, granted New Consolidated Gold Fields (Australasia) Pty. Limited the right to prospect, investigate and, if desired, acquire the subsidiary company's mining property in Australia. The right to prospect and investigate is for a six month period from July 1, 1965 with a minimum expenditure of £A45,000 (\$108,765 Can. based on July 31, 1965 exchange rates); the option to acquire the property must be exercised no later than sixty days thereafter. If the option to acquire the property is exercised, the main provisions of the agreement are:

- (i) for a new company to be formed to hold the property
- (ii) for refunding to the subsidiary company specified prospecting costs, plus a £A200,000 (\$483,400 Can. based on July 31, 1965 exchange rates) vendor bonus
- (iii) for refunding to Consolidated Gold Fields, the parent company of New Consolidated, specified costs incurred under the agreement
- (iv) for Consolidated Gold Fields and Canalia to be entitled and obliged to subscribe and pay for 55% and 45% respectively of the authorized capital of the new company, the amount of which has not yet been established.
- (v) for Consolidated Gold Fields to provide Canalia with the balance of funds which may be required for its subscription to the capital of the new company, with interest at 8% per annum.

### 3. FIXED ASSETS

- (a) Machinery, equipment and buildings and related accumulated depreciation are as follows:

	1965		1964	
	Cost	Accumulated Depreciation	Net	Net
	\$	\$	\$	\$
Buildings	14,594	397	14,197	1,324
Office furniture and fixtures	5,904	721	5,183	2,069
Machinery and equipment	49,000	3,008	45,992	11,189
	69,498	4,126	65,372	14,582

- (b) The parent company has changed its policy of not providing for depreciation until production is reached. In 1965, depreciation of \$4,126 was recorded in the parent company's accounts to reflect the estimated depreciation to July 31, 1965. No depreciation has been recorded in the subsidiary company's accounts on fixed assets acquired during the period. These assets will be depreciated commencing August 1, 1965.

### 4. CAPITAL STOCK

During the period July 25, 1964 to July 31, 1965 the company issued 1,100,000 treasury shares for cash (net to treasury \$500,000) and 300,000 shares for mining properties acquired by its subsidiary company (value ascribed \$180,000).

### 5. EXPLORATION AGREEMENT

By an agreement dated December 20, 1963, the company was granted the right to acquire from Oil Participations Incorporated, an interest in eighty-three crown granted mineral claims situated in the Hedley District in British Columbia. To keep the agreement in good standing the company must spend a minimum of \$50,000 annually and an aggregate of \$235,000 by December 31, 1968. In accordance with the agreement, a new company may be formed to hold the mining properties and the company and Oil Participations will receive 750,000 and 250,000 treasury shares respectively. In addition, Oil Participations is to receive total royalties of \$250,000 from net smelter returns.

### 6. OFFICERS' REMUNERATION

During the period July 25, 1964 to July 31, 1965 remuneration paid to officers totalled \$13,450.

### 7. VALUES

The amounts shown for mining properties and deferred expenditures represent costs to date and are not intended to reflect present or future values.

### 8. CONTINGENT LIABILITY

There is an unsecured contingent liability in respect of property payments amounting to \$9,668.











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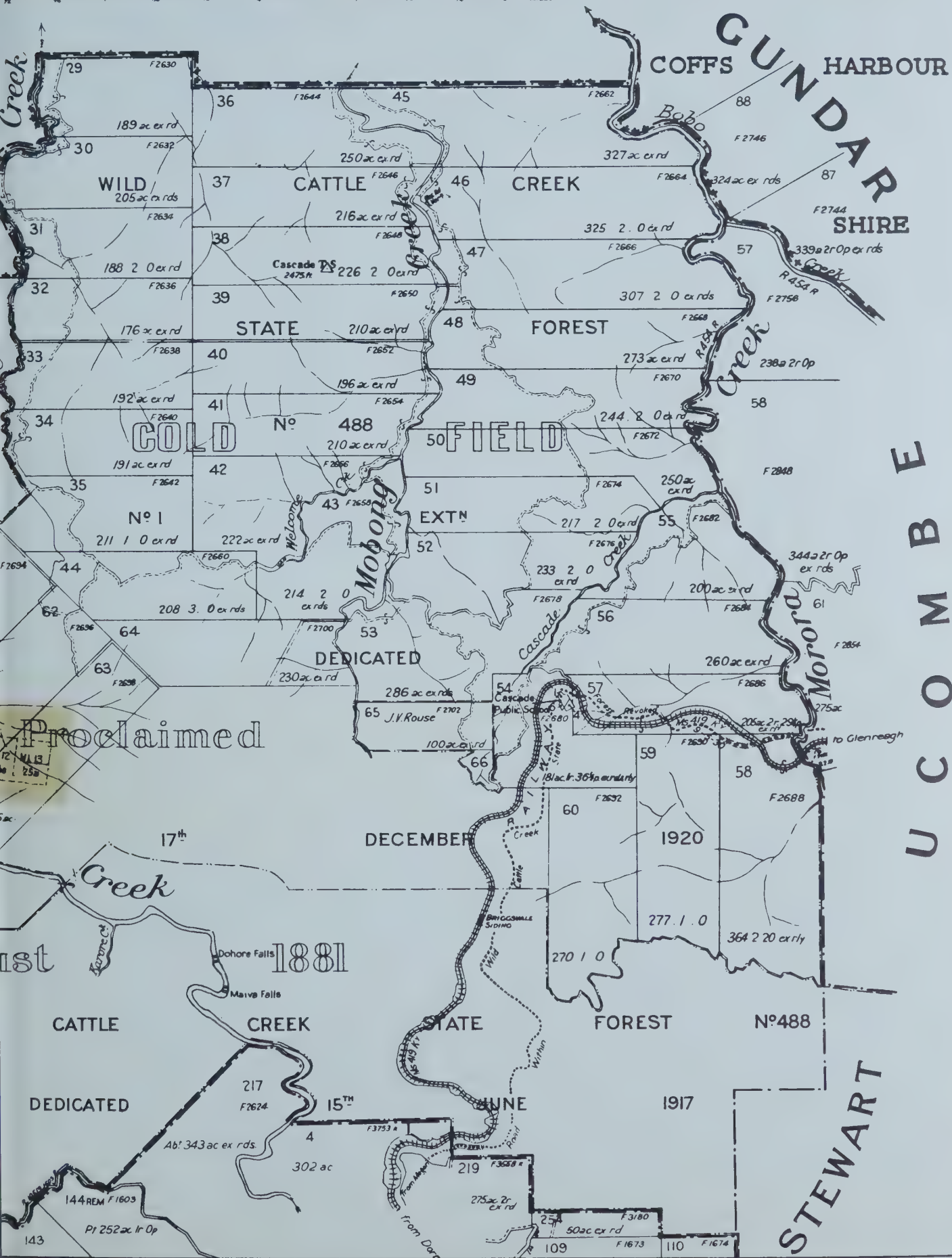
# DUNDEE MINES LTD. (N.P.L.) PRELIMINARY FEASABILITY REPORT





BELLINGEN SHIRE  
EASTERN DIVISION. N.S.W.

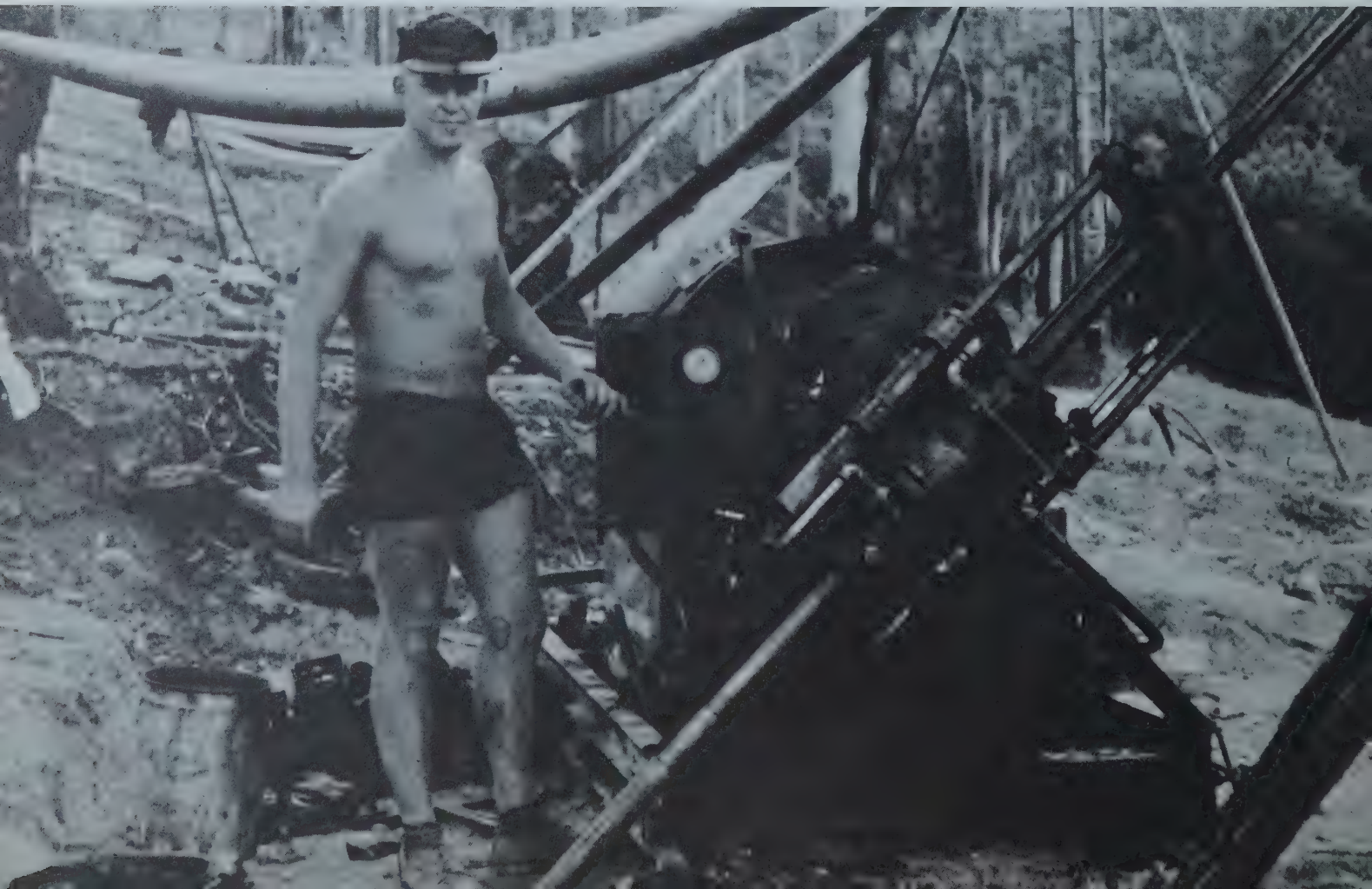








Diamond drill hole number 19



OFFICERS OF  
DUNDEE MINES LTD. (N.P.L.)

F. J. Doyle - - - President

Ralph Sostad - - - Vice-President

Chester A. Johnson, B.Comm. C.A. - - - Treasurer

S. David Anfield, LL B. - - - Secretary

Richard Palmer - - - Director

Registered Office

10th Floor - Credit Foncier Bldg.  
850 West Hastings Street  
Vancouver, B.C. Canada

Executive Office

308 - 510 West Hastings St.  
Vancouver, B.C. Canada

Registrar and Transfer Agent

NATIONAL TRUST COMPANY, LIMITED  
510 Burrard Street  
Vancouver, B.C. Canada

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## REPORT ON

## THE DORRIGO ANTIMONY PROPERTY

## OF DUNDEE MINES LTD. (N.P.L.)

The Purpose of the following Report is to cover the salient features in connection with the above mentioned property.

### PROPERTY

Consists of some 1,200 acres held under agreement; this adequately protects the known ore body on all extensions.

### LOCATION AND ACCESS

The property is located at an elevation of 3,500 feet, in rolling, tree-studded country. Rock outcrops are rare. It lies some 12 miles by road northwest of the town of Dorrigo, N.S.W. Dorrigo is a town of some 1,500 people. The nearest rail point is Meegan - approximately 8 miles east of the mine. This haulage distance can be considerably shortened by new road location.

### POWER

A three-phase Government power line runs within 6 miles of the mining property. Power for this type of operation is generally supplied for 1.5¢ per k.w.h. A hydro power site can probably be developed on Bielsdown Creek or Nymboida River within 2 miles of the mine should further study warrant.

### WATER AND TIMBER

Ample fresh water is available from either Wild Cattle Creek or Bielsdown Creek for any mining and milling operation contemplated. Both sources are within 2 miles of the operation and the terrain offers no difficulties.

Adequate timber for mining purposes exists in the immediate area; a large sawmill operates at Dorrigo.

### CLIMATE

The climate is mild with almost no frost.

Rainfall is about 30 inches per year. Conditions are favourable for mine operation; no heavy building construction is required.

### GEOLOGICAL SETTING AND VEIN DESCRIPTION

The antimony deposit is located in sedimentary rocks, primarily slates and quartzites of probable Jurassic age. The bedding in the mine area dips vertically and strikes in an east-west direction. The nearest known granitic intrusion outcrops some 2-1/2 miles southeast of the vein outcrop.

The ore zone consists of a sheared and brecciated zone extending along a slate-quartzite contact. The antimony mineralization occurs both in a massive form in the vein quartz and as replacement and fracture filling in the slate rocks. A very minor amount of Pyrite occurs also.

The zone has been traced on the surface by trenching and shafts for some 3,000 feet. There is evidence that the structure may extend for over 2 miles.

To date a length of one thousand feet has been systematically explored by large size diamond core drilling to a depth in excess of 200 feet.

Exploration has shown the structure to be consistent, free from offsetting faults and regular in strike and dip. Twenty holes have been completed, all but one have shown substantial widths of commercial grade ore.

Cinnibar and wolframite occur as subsidiary minerals. Further testing required to ascertain if they can be recovered economically.

### ORE RESERVES

The ore reserve calculations depend to a considerable extent upon the size of mill installed. The zone walls are gradational and the width governed by assay, hence a far greater width of lower grade material is available

Calculations based on the above figures show some 350,000 tons containing 34,300,000 lbs. of antimony to be reasonably assured in ore grading 4.9% antimony over an average width of 14 feet.

### MINING

Mining costs should be favorable with similar



type ore bodies in other parts of the world. The rocks should stand well with little dilution. Breakage will require low explosive consumption and little secondary blasting.

A fully mechanized underground mining operation is contemplated.

Although the present operation estimate is based on a 300 or 500 ton per day operation, the ore body is such that it could readily supply double this tonnage of slightly lower grade material should markets be available for this output.

#### FINANCIAL CLIMATE AND TAXATION

Government policy in Australia is very favourable for the development of natural resources today. Every assistance both financial and administrative is available for mining exploration.

The basic rate of tax in Australia is 37-1/2% on the first £5,000 of net profits and 42-1/2% over £5,000.

In the case of a mining company, there is a deduction of 20% of your net profits which would otherwise be subject to income tax and this has the effect of giving an effective rate of tax of 30% on the first £5,000 and 34% on the amount over £5,000.

The depreciation regulations in Australia are as follows:

1. You may elect to write off the total amount of capital expenditures in the year, or
2. You may elect to write off any portion of the amount spent during the year for capital expenditures with the balance being written off over the life of the mine or 25 years, whichever is the lessor, or
3. You may elect to write off the capital expenditures over the life of the mine or 25 years, whichever is the lessor.

With regard to exploration and development expenses, you may write these off against your mining income. In addition, you may elect in any given year to set aside funds out of the in-

come of the year for the purpose of exploration and development expenses for the succeeding year.

With regard to foreign exchange, there are no restrictions on the flow of funds from Australia to a foreign country, whether this be by way of dividends, management fee or interest.

All machinery, implements and apparatus for use in the mining industry in carrying out mining operations and for promotion of products of these operations are totally exempt from any sales tax in Australia. It would appear that for machinery and equipment being brought into Australia from a foreign country, if the mining machinery is not available either in Australia or the United Kingdom, said imported machinery and equipment will be allowed into Australia duty free. If the above is not the case, then you may apply to the Australian Government for a by-law to import at a rate of duty of 7-1/2%.

"J.D. MASON, P. Eng."

March 20, 1965.





Diamond drill hole number 20



Trench on mineralized zone



Coffs Harbour N.S.W.

## PROJECTED OPERATIONS

### ASSUME

1. 300 tons per day operation, 330 days per year, 5.5% mill head, 93% recovery, 67% concentrate.
2. 500 tons per day operation, 330 days per year, 4.5% mill head, 93% recovery, 67% concentrate.
3. No penalties or bonus for other metals.
4. No allowance for income tax or return of investment.

### DIRECT OPERATING COST

	<u>300 TON</u> <u>PER TON</u>	<u>500 TON</u> <u>PER TON</u>
Mining	\$ 6.00	\$ 4.00
Milling	2.75	2.00
Exploration, development and stope preparation	3.50	3.00
Concentrate handling and shipping charges to Sydney	2.10	1.90
Marketing	<u>.05</u>	<u>.05</u>
Total direct cost per ton of ore	\$ 14.40	\$ 10.95

### INDIRECT OPERATING COST

Equipment depreciation	\$ .65	\$ .40
Overhead, office and management	1.50	1.20
Property taxes and insurance	.20	.10
Head Office	.20	.15
Royalties, Governments and Landowners Allowances	.15	.15
Miscellaneous	<u>.20</u>	<u>.15</u>
Subtotal	\$ 2.90	\$ 2.15
Total Operating Costs	\$ 17.30	\$ 13.10

### PRODUCTION

- A. 300 ton, one ton of ore, 5.5% grade, 93% recovery in a 67% concentrate contains 102 lbs. of recoverable antimony.
- B. 500 ton, one ton of ore, 4.5% grade, 93% recovery in a 67% concentrate contains 83.7 lbs. of recoverable antimony.



# PROJECTED OPERATIONS PROFITS

Price per Lb. Contained Antimony in Ore 67% Concentrate, 93% Recovery  (Note 1)	Value per Ton of Ore		Profit per Ton of Ore using \$17.30 per Ton Cost on 300 Basis & \$13.10 per Ton on 500 Basis  (Note 2)		Annual Operating Profit on 330 Day Basis - 99,000 Tons on 300 Ton & 165,000 Tons on 500 Ton Basis	
	300	500	300	500	300	500
20¢	\$ 20.40	\$ 16.74	\$ 3.10	\$ 3.64	\$ 306,900	\$ 600,600
25¢	25.50	20.93	8.20	7.83	811,800	1,291,950
30¢	30.60	25.11	13.30	12.01	1,316,700	1,981,650
35¢	35.70	29.30	18.40	16.20	1,821,600	2,673,000
40¢	40.80	33.48	23.50	20.38	2,326,500	3,362,700
45¢	45.90	37.67	28.60	24.57	2,831,400	4,054,000

## NOTE 1:

Quotation received from Japan on March 23, 1965, was \$7.00 per long ton unit (31.3¢ per lb.) U.S. funds for a 60% concentrate with a 3¢ bonus for each 1% grade increase above 60% C.I.F. Japanese ports. They stated there would be a discount for concentrate as against crude ore. This would make the present price before discounts about 33¢ U.S. Funds per lb. of contained antimony (long ton unit equivalent to 22.4 lbs.)

Quote from Engineering and Mining Journal, Metal and Mineral Markets, dated March 22nd, 1965:

Schedule Antimony Ore (Lump)  
60% \$8.80 - \$9.075 Ltu. 39.3% - 40.5¢ per pound.  
65% \$9.075 - \$9.35 Ltu. 40.5¢ - 41.7¢ per pound.

## NOTE 2:

The above statement of profit per ton of ore does not take into consideration the by-product of contained mercury and silver or the premium that will be received on conversion of U.S. Funds to Canadian Funds.



J. D. Mason, Consulting Engineer



J. D. Mason, Consulting Engineer  
and assistants



Coffs Harbour N.S.W.



# PRELIMINARY ESTIMATE OF CAPITAL COSTS Mill and Mine Plant Construction

The estimate includes installation costs in equipment price with an extra labour charge added by way of a contingency. Mine supplies parts and operating capital are not included.

	300 Ton / Daily	500 Ton / Daily
Access Roads and Highway Improvement	\$ 10,000	\$ 10,000
Mill Design and Engineering	20,000	20,000
MILL CONSTRUCTION		
Site preparation	7,000	9,000
Coarse ore bin, Grizzly	17,000	22,000
Jaw crushers	14,000	20,000
Screen and magnet	10,000	14,000
Cone crusher	20,000	25,000
Fine ore bin	17,000	22,000
Rod mill	15,000	20,000
Ball Mill	22,000	27,000
Cyclones	5,000	7,000
Conditioner	6,000	8,000
Flotation cells	25,000	35,000
Filter and dryer	20,000	25,000
Conveyors	25,000	35,000
Ore feeders - weightometer	14,000	18,000
Reagent Storage tanks and feeders	10,000	14,000
Pumps and piping	20,000	25,000
Mill buildings	35,000	35,000
Automation and instrumentation allowance	25,000	25,000
Tailings disposal	4,000	5,000
Subtotal	\$ 311,000	\$ 391,000
UTILITIES		
Water supply, pumps and piping storage	\$ 15,000	\$ 20,000
Electrical 8 mile power line, transformers	45,000	50,000
Sewerage	6,000	7,000
Communications allowance	3,000	3,000
Subtotal	\$ 69,000	\$ 80,000
BUILDINGS		
3 Residences	\$ 20,000	\$ 20,000
Office and warehouse	12,000	15,000
Shop and tools	25,000	30,000
Assay office and equipment	10,000	11,000
Compressor and power house	5,000	7,000
Mine dry and equipment	8,000	10,000
Powder storage	2,000	3,000
Fuel storage (supplied by oil companies)		
Headframe and hoist house	20,000	25,000
Miscellaneous buildings allowance	10,000	15,000
Subtotal	\$ 112,000	\$ 136,000
EQUIPMENT SURFACE		
Tractor D/6 type	20,000	20,000
Trucks	7,000	14,000
Pickup	2,500	2,500
Winch truck	5,000	5,000
Miscellaneous	5,000	10,000
Subtotal	\$ 39,500	\$ 51,500

continued f.p.

# PRELIMINARY ESTIMATE OF CAPITAL COSTS continued

	300 Ton / Daily	500 Ton / Daily
EQUIPMENT MINING		
Compressor and receivers	\$ 17,000	\$ 30,000
Tramming equipment	10,000	18,000
Cars	8,000	12,000
Mining machines and parts	6,000	10,000
Mine hoists skips and cages	40,000	60,000
Mucking machines	8,000	14,000
Rail and pipe	10,000	15,000
Mine tools	3,000	5,000
Hoists and scrapers	5,000	9,000
Subtotal	\$ 107,000	\$ 173,000
Office and engineering supplies and equipment	\$ 6,000	\$ 6,000
Freight and haulage allowance	25,000	35,000
Mill erection costs labour contingency allowance	120,000	150,000
Indirect costs during construction	40,000	50,000
Mine shaft and stations, 450' @ \$150 per ft.	68,000	68,000
Preliminary exploration and underground exploration and development (part in operating costs)	150,000	220,000
Head office expense	12,000	12,000
Legal expense allowance	6,000	6,000
Total Overall Costs	\$ 1,095,500	\$ 1,408,500
SUMMARY		
Access roads and highway improvements	\$ 10,000	\$ 10,000
Mill design and engineering	20,000	20,000
Mill construction	311,000	391,000
Utilities	69,000	80,000
Buildings	112,000	136,000
Equipment surface	39,500	51,500
Equipment mining	107,000	173,000
Office and engineering supplies and equipment	6,000	6,000
Freight and haulage allowance	25,000	35,000
Mill erection costs labour contingency allowance	120,000	150,000
Indirect costs during construction	40,000	50,000
Mine shafts and stations 450 @ \$150 per ft.	68,000	68,000
Preliminary exploration and underground development (part in operating costs)	150,000	220,000
Head office expense	12,000	12,000
Legal expense allowance	6,000	6,000
TOTAL CAPITAL EXPENDITURE	\$ 1,095,500	\$ 1,408,500



The Directors,  
Dundee Mines Ltd. (N.P.L.)  
308 - 510 West Hastings Street,  
Vancouver 2, B.C.

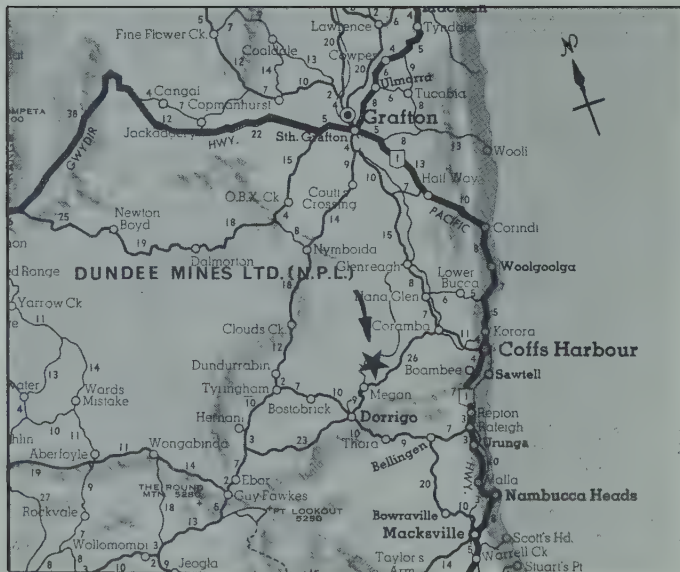
## Dorrigo Antimony - Metallurgical tests

We summarize below the work carried out on  
a composite sample of ore from drill holes 1 to 12  
inclusive:

### (1) ASSAY OF ORE:

(The composite sample was made up by taking  
one-half of each assay reject sample; normally, only  
those samples assaying 1% or more Sb were included,  
but two lower grade samples, #1823 and #1831 were  
also included; these samples assayed 0.43% Sb and  
0.87% Sb respectively).

Gold	(Au)	0.006 ounces per ton
Silver	(Ag)	0.04 " " "
Antimony	(Sb)	4.66%
Arsenic	(As)	0.97%
Lead	(Pb)	0.03%
Mercury	(Hg)	Not detected



## (2) CONCENTRATION TEST RESULTS:

A sample of the composite ore was ground to 60% minus 200 mesh and treated by flotation; the rougher concentrate was cleaned three times. The final concentrate weighed 5.57% of the feed and assayed as follows:

Antimony	(Sb)	63.31%
Arsenic	(As)	0.68%
Lead	(Pb)	0.15%
Iron	(Fe)	0.98%
Silica	(SiO <sub>2</sub> )	6.28%
Mercury	(Hg)	0.04%

80.7% of the antimony was recovered in the final concentrate and a further 14.3% was present in cleaner tailings and a scavenger concentrate. Allowing for recirculation of these intermediate products, an overall recovery of at least 88% of the antimony is indicated, when treating similar ore in a full-scale mill.

The grade of the final concentrate was 3% lower than in the earlier test on a composite sample of ore from drill-holes 1 to 4 inclusive (see our report dated February 19, 1965). The arsenic content was slightly higher (0.68% as compared with 0.53%) and the lead content was lower (0.15% as compared with 0.21%). The concentrate would be acceptable in the Japanese market, but it would be desirable to make a slightly higher grade, preferably over 65%. It is expected that this can be achieved by minor changes in the flotation conditions and a test along these lines will be carried out shortly.

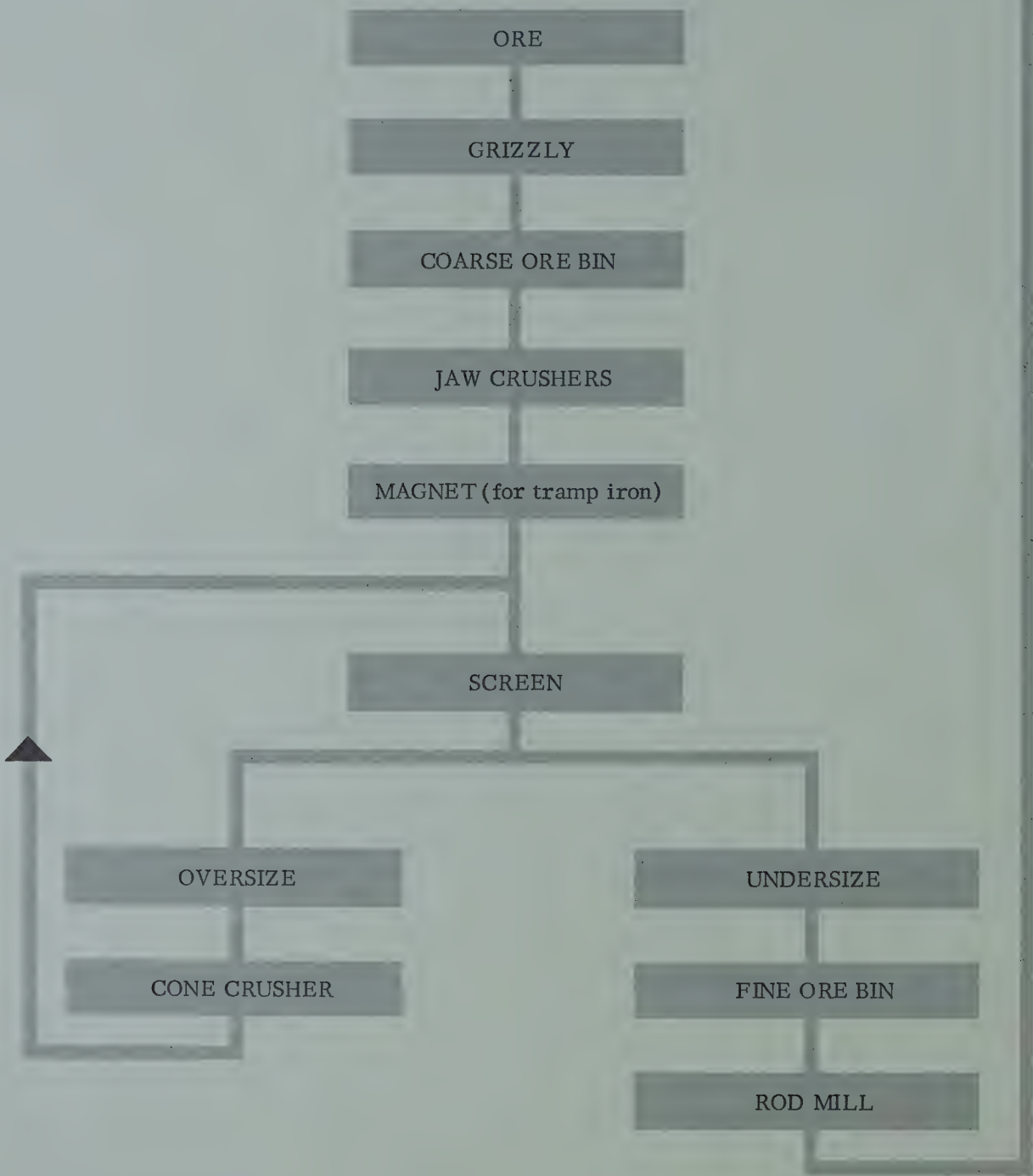
Yours very truly,  
BRITTON RESEARCH LABORATORIES  
"John W. Britton, P. Eng."  
Consulting Metallurgist,

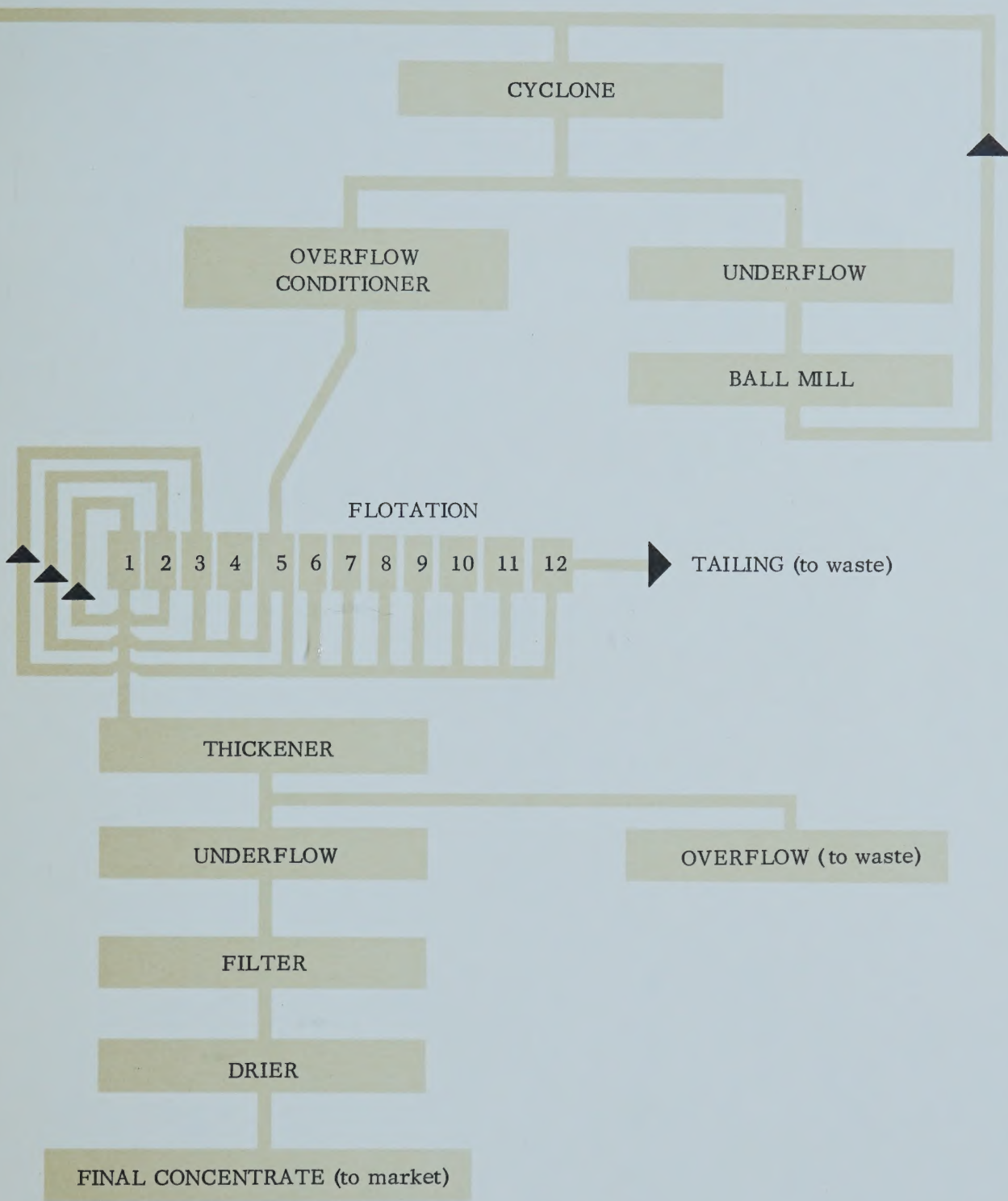
755 Beatty Street,  
Vancouver 3, B.C., March 25, 1965

JWB/t



TENTATIVE FLOW SHEET





Note: Conveyors, pumps, samplers, reagent storage tanks and feeders not shown.

"John W. Britton, P. Eng."

Vancouver, B.C., March 12, 1965





AR51

# ***Dundee Mines Limited (N.P.L.)***

## **NOTICE OF ANNUAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of DUNDEE MINES LIMITED (N.P.L.) will be held in the Promenade Room of the Ramada Inn, 1110 Howe Street, in the City of Vancouver, Province of British Columbia, at 11 o'clock in the forenoon on Friday, the 14th day of January, A.D. 1966 for the following purposes:

1. To receive and consider the Annual Statement of Account and Balance Sheet of the Company, Reports of the Directors and Auditors thereon.
2. To elect Directors for the ensuing year.
3. To appoint Auditors for the ensuing year.
4. To consider and, if thought fit, ratify and confirm all acts of the Directors and Officers of the Company since the last Annual General Meeting since same appear on records of books of the Company.
5. To consider, and, if thought fit, pass the following ordinary resolution:  
"RESOLVED THAT the Company is hereby authorized to take or acquire shares by purchase or otherwise in any other corporation."
6. To transact such further and other business as may be proper for the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy must be a member of the Company and entitled on his own behalf to be present and vote at the meeting. The proxy instrument must be deposited at the registered office of the Company, 10th floor, Credit Foncier Building, 850 West Hastings Street, Vancouver, British Columbia, not less than forty-eight (48) hours before the time for holding the Annual General Meeting.

The attached proxy form is in favour of Ralph A. Sostad, or failing him, Frank J. Doyle.

DATED this \_\_\_\_ day of January, A.D. 1966.

BY ORDER OF THE BOARD  
"S. David Anfield"  
Assistant Secretary

DUNDEE MINES LIMITED (N.P.L.)

### **P R O X Y**

I, \_\_\_\_\_  
of \_\_\_\_\_ being  
a member of DUNDEE MINES LIMITED (N.P.L.) hereby appoint Ralph A. Sostad, or failing him Frank J. Doyle as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on the 14th day of January, A.D. 1966 and at any adjournment thereof.

SIGNED this \_\_\_\_\_ day of January, A.D. 1966.



